

The Sumitomo Trust & Banking Co., Ltd.
Financial Results for the Third Quarter of Fiscal Year 2008



January 30, 2009

Tokyo office	: GranTokyo South Tower 1-9-2 Marunouchi, Chiyoda-ku, Tokyo, Japan
Stock exchange listings	: Tokyo and Osaka (code: 8403)
URL	: http://www.sumitomotrust.co.jp/IR/company/index_en.html
Representative	: Hitoshi Tsunekage, President and CEO
Filing date of financial statements	: February 13, 2009
Trading accounts	: Established

(All amounts less than one million yen are rounded down.)

1. Consolidated Financial Results for the Third Quarter of Fiscal Year 2008
(April 1, 2008 through December 31, 2008)

(1) Consolidated Financial Results (% of change from previous period)

	Ordinary Income		Ordinary Profit		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine Months Ended						
December 31, 2008	816,178	-	52,080	-	20,404	-
December 31, 2007	780,200	33.2	87,425	(40.9)	53,848	(45.3)

	Net Income per Share	Net Income per Share (Fully Diluted)
	Yen	Yen
Nine Months Ended		
December 31, 2008	12.18	-
December 31, 2007	32.16	32.15

(Note) Net income per share (fully diluted) was not stated as there were no potentially dilutive securities for the third quarter of fiscal year ended December 31, 2008.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets Ratio (*)	Net Assets per Share
	Millions of Yen	Millions of Yen	%	Yen
As of				
December 31, 2008	22,795,171	1,335,656	4.1	562.89
March 31, 2008	22,180,734	1,280,954	4.8	639.76

Net Assets less Minority Interests: December 31, 2008 942,617 millions of yen, March 31, 2008 1,071,368 millions of yen

(*) Net Assets to Total Assets Ratio = Net Assets less Minority Interests / Total Assets

2. Dividends

	Dividends per Share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual
Fiscal Year Ended	Yen	Yen	Yen	Yen	Yen
March 31, 2008	-	8.50	-	8.50	17.00
March 31, 2009	-	8.50	-		
March 31, 2009 (Forecast)				1.50	10.00

(Note) Revision of dividend forecast for the third quarter of fiscal year ended December 31, 2008: Yes

3. Forecasts of Consolidated Financial Results for the Fiscal Year 2008
(April 1, 2008 through March 31, 2009)

(% of change from previous period)

	Ordinary Income		Ordinary Profit		Net Income		Net Income per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Fiscal Year Ending							
March 31, 2009	1,100,000	0.4	65,000	(52.5)	30,000	(63.6)	17.91

(Note) Revision of consolidated earnings forecasts for the third quarter of fiscal year ended December 31, 2008: Yes

4. Other Information

(1) Changes in specified subsidiaries resulted in changes in the scope of consolidation during the third quarter of fiscal year 2008: Yes

Included : 2 (STB Preferred Capital 4 (Cayman) Limited)
(STB Preferred Capital 5 (Cayman) Limited)

Excluded: None

(Note) Please see page 3 for the detail.

(2) Adoption of simplified accounting methods and accounting treatments peculiar to preparation of quarterly consolidated financial statements: Yes

(Note) Please see page 3 for the detail.

(3) Changes in accounting principles, procedures and presentation in preparation of quarterly consolidated financial statements

1) Changes due to revision in accounting standards: Yes

2) Other changes: Yes

(Note) Please see pages 3 and 4 for the detail.

(4) Number of issued shares (Common stock)

1) Number of issued shares (including treasury stock)

December 31, 2008 :	1,675,128,546 shares,	March 31, 2008 :	1,675,128,546 shares
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2) Number of treasury stock

December 31, 2008 :	527,696 shares,	March 31, 2008 :	477,196 shares
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3) Average number of issued shares (for the third quarter of fiscal years)

December 31, 2008 :	1,675,128,546 shares,	December 31, 2007 :	1,675,102,946 shares
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Explanation for proper use of forecasts and other note

-Forecasts in this material are based on information, which is available at this moment, and assumptions of uncertain factors, which may affect future operating results. Actual results may differ materially from those forecasts depending on various future events and conditions.

-The Sumitomo Trust & Banking Co., Ltd.(hereafter "the Bank") has started to adopt "Accounting Standard for Quarterly Financial Statements" (ASBJ Statement No. 12) and "Implementation Guidance for Quarterly Financial Statements" (ASBJ Guidance No.14) from the first quarter ended June 30, 2008. Quarterly financial statements are prepared in accordance with "Principles for Consolidated Quarterly Financial Statements."

This financial information is summarized translations of the brief financial statements (Kessan Tanshin) and explanatory material.

For further information, please contact the Investor Relations Office, Financial Management Department at +81-3-3286-8354 by phone, +81-3-3286-4654 by facsimile, or e-mail : rstbirnews@sumitomotrust.co.jp.

Changes in Specified Subsidiaries Resulted in Changes in the Scope of Consolidation during the Third Quarter of Fiscal Year 2008

STB Preferred Capital 4 (Cayman) Limited and STB Preferred Capital 5 (Cayman) Limited were established and consolidated from the first quarter of fiscal year ended June 30, 2008 and from the third quarter of fiscal year ended December 31, 2008, respectively.

Adoption of Simplified Accounting Methods and Accounting Treatments Peculiar to Preparation of Quarterly Consolidated Financial Statements

1. Simplified Accounting Methods

(a) Depreciation for Tangible Fixed Assets

As for tangible fixed assets which are depreciated using the declining-balance method, the depreciation expenses for the quarter is provided based on the annual estimated depreciation which is evenly divided over the year.

(b) Allowance for Loan Losses

For claims to “debtors legally bankrupted” and “debtors virtually bankrupted,” or claims to “debtors who are likely to bankrupt” other than the claims for which the individual allowance based on estimated losses is provided, allowance for loan losses is provided based on the loan-loss-ratio applied to the first half of fiscal year ended September 30, 2008.

(c) Income Taxes

Though income taxes are calculated based on the same method as the year-end, only significant added or subtracted items and tax-deducted items are applied.

(d) Judgement of Collection Possibility of Deferred Tax Assets

On the judgement of collection possibility of deferred tax assets, the same result of tax planning for the Bank and the same future forecasts for the subsidiaries as those of September 30, 2008 were applied as temporary differences were not considered to change drastically from September 30, 2008.

2. Accounting Treatments Peculiar to Preparation of Quarterly Consolidated Financial Statements

Costs for Tax Payment

Costs for tax payment for a part of subsidiaries are calculated by estimating the reasonable approximate effective income tax after adopting deferred tax accounting and by multiplying the income before income taxes and others.

Changes in Accounting Principles, Procedures and Presentation in Preparation of Quarterly Consolidated Financial Statements

1. Accounting Standards on Quarterly Financial Statements

The Bank has started to adopt “Accounting Standard for Quarterly Financial Statements” (ASBJ Statement No.12) and “Implementation Guidance for Quarterly Financial Statements” (ASBJ Guidance No.14) from the first quarter of fiscal year ended June 30, 2008. Quarterly financial statements are prepared in accordance with “Principles for Consolidated Quarterly Financial Statements.”

2. Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements Accounting

As “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issue Task Force No. 18) was adopted from the fiscal year beginning on and after April 1, 2008, the Bank has started to adopt this practical solution from the first quarter of fiscal year ended June 30, 2008. This adoption did not affect the consolidated financial statements for the third quarter of fiscal year ended December 31, 2008.

3. Accounting Standard for Lease Transactions

Although finance leases without transfer of ownerships had been accounted for according to the same accounting treatment used in the operating leases in the past, the Bank started to adopt the accounting standards from the first half of fiscal year ended September 30, 2008, which were “Accounting Standard for Lease Transactions” (ASBJ Statement No.13) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No.16) took effect from the fiscal year beginning on or after April 1, 2008, detailed as follows.

(As lessee)

Depreciation method of lease assets based on transactions of finance leases without transfer of ownerships started on or after April 1, 2008 was mainly straight-line method over the lease term assuming no salvage value. On the other, transactions of finance leases without transfer of ownerships started before April 1, 2008 have continuously been accounted for according to the same accounting treatment used in operating leases.

(As lessor)

The accounting treatment of finance leases without transfer of ownerships whose transactions started on or after April 1, 2008 was changed to one as same as sales transactions net gains or losses of whom were recognized as interest equivalents allocated appropriately for the fiscal periods. On the other, as for the transactions of finance leases without transfer of ownerships started before April 1, 2008, amounts of leasing fixed assets offset by its accumulated depreciations were reclassified as “Lease receivables and investment assets” at April 1, 2008 as beginning balance.

As a result, compared with the former treatment, “Lease receivables and investment assets,” “Tangible fixed assets,” “Intangible fixed assets” and “Other liabilities” increased by 651,955 million yen, 212 million yen, 1 million yen, and 6,687 million yen, respectively. On the other, “Other assets” decreased by 644,807 million yen. For the third quarter of fiscal year 2008, ordinary profit and income before income taxes increased by 674 million yen, respectively.

4. Financial Derivatives

On “Trading assets” and “Trading liabilities,” or derivatives in “Other assets” and “Other liabilities,” the derivatives transactions which meets the conditions stated in “Practical Guidelines for Financial Instruments Accounting” are offset from the first quarter of fiscal year ended June 30, 2008, aiming to state the mitigated amounts of credit risk on individual transactions appropriately. As a result, “Trading assets” and “Trading liabilities” decreased by 1,602,477 million yen and so as to “Other assets” and “Other liabilities” by 1,650,607 million yen, compared with the former treatment.

5. Tentative Solution on Reclassification of Debt Securities

The Bank applied "Tentative Solution on Reclassification of Debt Securities" (ASBJ Practical Issue Task Force No.26) which was released on December 5, 2008 and reclassified some of asset-backed securities for overseas credit investment, that have been classified as "Available-for-sale securities," to "Held-to-maturity debt securities." As a result, "Securities" increased by 17,368 million yen, "Deferred tax assets" decreased by 7,053 million yen, and "Valuation difference on available-for-sale securities" increased by 10,314 million yen, compared with those based on the former classification.

This reclassification is based on the judgement that the recent financial market circumstances are recognized as "rare circumstances where the entity has been experiencing difficulties continuously in selling debt securities at fairly valued prices for a certain period of time, because of an extreme decline of the market liquidity caused by unexpectedly significant change in the markets environment," considering the recent situations such as significant stagnation of transactions in the asset-backed security markets for overseas credit investment. The Bank made the decision and reclassified to "Held-to-maturity debt securities" at 288,058 million yen, which was the fair value at the point of reclassification, on December 26, 2008.

On the reclassified debt securities (foreign bonds), the fair value was 270,690 million yen, the amount included in "Securities" of consolidated balance sheets was 288,058 million yen, and that in "Valuation difference on available-for-sale securities" was -54,820 million yen on December 31, 2008.

6. Partial Change of the Measurement of Fair Value for Available-for-Sale Securities

The fair value of floating rate Japanese government bonds had been calculated based on their market prices in the past. However, considering the recent financial market circumstances, the Bank judged that their market prices cannot be recognized as fair value, and started to adopt their reasonably estimated prices for evaluation. As a result, "Securities" increased by 15,286 million yen, "Deferred tax assets" decreased by 6,207 million yen, and "Valuation difference on available-for-sale securities" increased by 9,078 million yen compared with those based on their market prices.

The reasonably estimated prices are offered by third parties independent of the Bank, and derived from the estimation reflecting some parameters like market interest rates to discounted present values, option pricing models and so on.

Consolidated Balance Sheets

	(Millions of Yen)	
	As of December 31, 2008	As of March 31, 2008
Assets:		
Cash and Due from Banks	627,731	891,560
Call Loans and Bills Bought	183,042	140,780
Receivables under Securities Borrowing Transactions	712,642	152,240
Monetary Claims Bought	472,640	581,167
Trading Assets	1,208,716	1,078,192
Money Held in Trust	12,251	17,533
Securities	5,032,703	4,602,451
Loans and Bills Discounted	11,253,720	10,746,228
Foreign Exchanges	14,252	7,946
Lease Receivables and Investment Assets	651,955	—
Other Assets	1,882,428	3,216,415
Tangible Fixed Assets	130,480	132,743
Intangible Fixed Assets	144,400	148,241
Deferred Tax Assets	165,163	83,050
Customers' Liabilities for Acceptances and Guarantees	439,800	488,865
Allowance for Loan Losses	(136,757)	(106,683)
Total Assets	22,795,171	22,180,734
Liabilities:		
Deposits	12,216,182	11,875,749
Negotiable Certificates of Deposit	2,590,771	2,456,695
Call Money and Bills Sold	239,059	140,152
Payables under Repurchase Agreements	1,593,199	790,588
Payables under Securities Lending Transactions	53,445	131,957
Trading Liabilities	189,140	338,217
Borrowed Money	1,116,826	883,039
Foreign Exchanges	935	0
Short-term Bonds Payable	271,015	356,754
Bonds Payable	551,242	598,859
Borrowed Money from Trust Account	608,336	747,554
Other Liabilities	1,562,897	2,058,271
Provision for Bonuses	1,844	6,272
Provision for Directors' Bonuses	-	75
Provision for Retirement Benefits	8,733	9,636
Provision for Reimbursement of Deposits	823	819
Provision for Contingent Loss	7,731	7,806
Provision for Relocation Expenses	1,415	2,243
Deferred Tax Liabilities	154	198
Deferred Tax Liabilities for Land Revaluation	5,956	6,021
Acceptances and Guarantees	439,800	488,865
Total Liabilities	21,459,514	20,899,780
Net Assets:		
Shareholders' Equity:	1,005,331	1,013,338
Capital Stock	287,537	287,537
Capital Surplus	242,555	242,555
Retained Earnings	475,702	483,686
Treasury Stock	(464)	(441)
Valuation and Translation Adjustments:	(62,713)	58,029
Valuation Difference on Available-for-Sale Securities	(47,149)	65,958
Deferred Gains or Losses on Hedges	(3,643)	1,107
Revaluation Reserve for Land	(4,401)	(4,306)
Foreign Currency Translation Adjustment	(7,519)	(4,729)
Minority Interests	393,038	209,586
Total Net Assets	1,335,656	1,280,954
Total Liabilities and Net Assets	22,795,171	22,180,734

Consolidated Statements of Income

	(Millions of Yen)
	Nine Months Ended December 31, 2008
Ordinary Income:	
Trust Fees	49,931
Interest Income:	290,006
Interest on Loans and Discounts	156,904
Interest and Dividends on Securities	112,618
Fees and Commissions	76,027
Trading Income	4,983
Other Ordinary Income	376,591
Other Income	18,638
Ordinary Income	816,178
Ordinary Expenses:	
Interest Expenses:	157,787
Interest on Deposits	71,873
Fees and Commissions Payments	22,166
Trading Expenses	59,400
Other Ordinary Expenses	232,355
General and Administrative Expenses	157,198
Other Expenses	135,191
Ordinary Expenses	764,098
Ordinary Profit	52,080
Extraordinary Income	4,539
Gain on Disposal of Noncurrent Assets	1,923
Recoveries of Written-off Claims	852
Other	1,763
Extraordinary Loss	820
Loss on Disposal of Noncurrent Assets	693
Impairment Loss	127
Income before Income Taxes	55,798
Income Taxes:	28,411
Current	31,945
Deferred	(3,533)
Minority Interests in Income	6,982
Net Income	20,404

The Bank has started to adopt “Accounting Standard for Quarterly Financial Statements” (ASBJ Statement No.12) and “Implementation Guidance for Quarterly Financial Statements” (ASBJ Guidance No.14) from the first quarter of fiscal year ended June 30, 2008. Quarterly financial statements are prepared in accordance with “Principles for Consolidated Quarterly Financial Statements.”

Notes on Preconditions of Continuing Company

There is no applicable information.

Notes on Significant Change of Shareholders' Equity

There is no applicable information.

Non-Consolidated Balance Sheets

	(Millions of Yen)	
	As of December 31, 2008	As of March 31, 2008
Assets:		
Cash and Due from Banks	594,973	860,067
Call Loans	105,547	54,022
Receivables under Securities Borrowing Transactions	712,642	152,240
Monetary Claims Bought	380,657	465,918
Trading Assets	1,211,132	1,079,618
Money Held in Trust	12,251	17,533
Securities	5,343,987	4,891,135
Loans and Bills Discounted	11,493,893	11,033,244
Foreign Exchanges	14,252	7,946
Other Assets	1,516,928	2,164,785
Tangible Fixed Assets	115,294	116,167
Intangible Fixed Assets	23,653	21,472
Deferred Tax Assets	146,934	63,670
Customers' Liabilities for Acceptances and Guarantees	625,910	687,736
Allowance for Loan Losses	(108,100)	(96,799)
Allowance for Investment Loss	(6,257)	(5,514)
Total Assets	22,183,700	21,513,246
Liabilities:		
Deposits	12,151,324	11,810,218
Negotiable Certificates of Deposit	2,600,771	2,466,695
Call Money	257,253	140,152
Payables under Repurchase Agreements	1,593,199	790,588
Payables under Securities Lending Transactions	53,445	131,957
Trading Liabilities	189,242	339,643
Borrowed Money	1,157,442	770,820
Foreign Exchanges	1,026	469
Short-term Bonds Payable	254,051	304,814
Bonds Payable	289,877	315,964
Borrowed Money from Trust Account	608,336	747,554
Other Liabilities	1,473,068	1,965,696
Income Taxes Payable	168	39,377
Other	1,472,900	—
Provision for Bonuses	968	3,954
Provision for Directors' Bonuses	-	75
Provision for Retirement Benefits	209	212
Provision for Reimbursement of Deposits	823	819
Provision for Contingent Loss	7,731	7,806
Provision for Relocation Expenses	1,415	2,243
Deferred Tax Liabilities for Land Revaluation	5,956	6,021
Acceptances and Guarantees	625,910	687,736
Total Liabilities	21,272,056	20,493,446
Net Assets:		
Shareholders' Equity:	963,103	956,540
Capital Stock	287,537	287,537
Capital Surplus:	242,555	242,555
Legal Capital Surplus	242,555	242,555
Other Capital Surplus	-	0
Retained Earnings:	433,474	426,888
Legal Retained Earnings	46,580	46,580
Other Retained Earnings	386,894	380,308
Reserve for Overseas Investment Loss	0	0
Other Voluntary Reserve	341,870	301,870
Retained Earnings Brought Forward	45,024	78,438
Treasury Stock	(464)	(441)
Valuation and Translation Adjustments	(51,459)	63,259
Valuation Difference on Available-for-Sale Securities	(44,173)	65,936
Deferred Gains or Losses on Hedges	(2,884)	1,629
Revaluation Reserve for Land	(4,401)	(4,306)
Total Net Assets	911,643	1,019,800
Total Liabilities and Net Assets	22,183,700	21,513,246

Non-Consolidated Statements of Income

	(Millions of Yen)
	Nine Months Ended December 31, 2008
Ordinary Income:	
Trust Fees	49,931
Interest Income:	276,365
Interest on Loans and Discounts	149,075
Interest and Dividends on Securities	110,750
Fees and Commissions	48,451
Trading Income	4,983
Other Ordinary Income	126,815
Other Income	14,189
Ordinary Income	520,736
Ordinary Expenses:	
Interest Expenses:	159,548
Interest on Deposits	69,859
Fees and Commissions Payments	30,756
Trading Expenses	59,400
Other Ordinary Expenses	9,839
General and Administrative Expenses	105,753
Other Expenses	102,938
Ordinary Expenses	468,236
Ordinary Profit	52,499
Extraordinary Income	2,617
Extraordinary Loss	658
Income before Income Taxes	54,458
Income Taxes:	24,434
Current	(4,950)
Deferred	19,484
Net Income	34,974